

Mayor David Fatcher led the flag salute. The Regular Meeting of the Kelso City Council was called to order by Mayor David Fatcher. Councilmembers in attendance were: Fatcher, Myers, Lefebvre, McDaniel, Schimmel, Archer, and Roberson.

**Minutes:** Upon motion by Councilmember McDaniel, seconded by Councilmember Roberson, 'Approve the Minutes of the 12/7/11 Special Meeting and the 12/6/11 Regular Meeting,' motion carried, all voting yes.

**PUBLIC HEARING – CONTINUATION OF BIENNIAL REVIEW:**

Mayor Fatcher opened the Public Hearing at 7:00 p.m. Finance Director Brian Butterfield stated that there have been no adjustments made to the 2012 Budget since the last Biennial Review Public Hearing on 12/6/11. There being no comments from the public, Mayor Fatcher closed the Public Hearing at 7:02 p.m.

**PRESENTATION:**

**Southwest Washington Regional Airport:** Airport Advisory Board Volunteer, Jerry Sorrell gave a power point presentation of the airport's economic value. In the past 15 years, new companies to the area have noted that the proximity and general aviation function of the airport was a factor in their decision to locate in Cowlitz County. The Washington National Guard, Civil Air Patrol, US Coast Guard, and "Angel Flights" are some of the agencies that have used or are currently using the airport for the purpose of public good. Mr. Sorrell showed a list of airport projects that are now or soon to be underway. These improvements will be made in increments as local, state and federal funding become available, through the efforts of the cities of Kelso and Longview, the Port of Longview and Cowlitz County. For the economic growth and stability of our region, it is important that the airport not only remain, but be improved and marketed so as to attract more of a business/corporate type of aircraft. Councilmember Schimmel asked if there are any new businesses that are showing interest in the airport location at this time. Mr. Sorrell said that the Fixed Base Operator Denny Wise has been working on getting two businesses located at the airport. One is an aircraft interiors upholstery shop and the other one provides emergency medical equipment installations in aircrafts. Lengthy discussion followed.

**Real Estate Update:** Designated Real Estate Broker for the City of Kelso Butch Henry gave a power point presentation that provided an update of the City's marketable properties. He discussed the past properties, the current properties, and the spaces that the city has listed. He would like to meet with the city and go over a list of city owned parcels that have potential for commercial use. Mayor Fatcher asked if there has been any recent interest in the old finance building. Mr. Henry said there have been calls, mostly from retailers that are interested in the building because of the drive-up window and the vault.

**CONSENT AGENDA:**

1. **Development Agreement - Randco**
2. **Contract Closeout – Street Light Project**
3. **Turnback Agreement – Talley Way Bridge Abutment Area**
4. **Airport Lease Agreements:** a. Kelly Quick, Hangar #16; b. Chris Paasch, Hangar #A-5
5. **Liquor License Renewals:** a. Red Lion Hotel, 510 Kelso Drive; b. Rite Aid #5287, 230 Kelso Drive; c. Scooter's Bar & Grill, 1107 N. Pacific Avenue; d. 13<sup>th</sup> Avenue Mini Mart, 1821 13<sup>th</sup> Avenue; e. Shari's of Kelso, 205 S. Kelso Drive; f. Tim's Bar & grill, 213 Allen Street
6. **Bid Award – Water Treatment Chemical Purchase Awards for 2012**
7. **Boards & Commission Re-Appointments:**
  - a. **Highlander Festival**
    - i. Cindy Keeney, Term Ending 12/31/15
  - b. **Library Board**
    - i. Richard King, Term Ending 12/31/16
  - c. **Lodging Tax Advisory Committee**
    - i. Cindy Keeney, Term Ending 12/31/12
    - ii. Syed Pasha, Term Ending 12/31/12
    - iii. Shane Wilcox, Term Ending 12/31/12
  - d. **Kelso Housing Authority**
    - i. Martin Carty, Term Ending 1/1/17
  - e. **Park Board**
    - i. Dan Jones, Term Ending 12/31/12
    - ii. Bob Smith, Term Ending 12/31/13
    - iii. Jerry Phillips, Term Ending 12/31/12
    - iv. Pamela Jo Enbusk, Term Ending 12/31/14
    - v. Cowlitz County Mosquito Control District
  - f. **Cowlitz County Mosquito Control District**
    - i. Betty Wilson, Term Ending 1/1/14
8. **Auditing of Accounts: \$ 1,502,005.61**

Mayor Fatcher asked if any items should be removed for separate consideration. There were requests to remove **Item No. 1 (Development Agreement)** and **Item No. 4 (Airport Lease Agreements)** from the Consent Agenda to be discussed separately.

Upon motion by Councilmember Myers, seconded by Councilmember Archer, 'Approve the Consent Agenda and the Auditing of Accounts in the amount of \$1,502,005.61 with the removal of Item No. 1, and Item No. 4,' motion carried, all voting yes.

**Continuation of the Consent Agenda (Items that were Previously Removed):**

**Development Agreement – Randco:**

Councilmember Myers asked why the termination date on this agreement is different than the termination date on the proposed revision of Ordinance No. 08-3686 that is listed under Motion Items. City Attorney Janean Parker explained that this was an already existing agreement that had the December 31, 2020 language. All future agreements developed under the revised ordinance, if adopted, will have the termination date of December 31, 2015. Councilmember Archer said he thought he read that there was an Environmental Study going on in that area. Ms. Parker said that the Talley Way Corridor Study was referenced in this agreement and it has been completed. Mayor Futcher said this development agreement allows developers to temporarily suspend construction of ROW improvements along Talley Way pending completion of a corridor study and adoption of revised ROW and frontage development standards. Councilmember Archer said that he felt December 31, 2020 was too much time. Lengthy discussion followed.

Upon motion by Councilmember McDaniel, seconded by Councilmember Roberson, 'Approve the authorization of the proposed agreement with Randco' motion carried, all voting yes.

**Airport Lease Agreements:**

Councilmember Archer asked about the 15 days past due statement regarding the rent payment. With the 15 days and the two eviction notices that are required, the renter would have a total of 60 days before they would have to pay anything. He would like to see a \$50 penalty after 5 days delinquent then the two eviction notices. If the renter does not respond, then take it to the attorney. Mayor Futcher asked if the eviction rules for a residential lease is different than a commercial lease. Ms. Parker will look in to the eviction rules then talk to David Sypher and the Airport Manager about what she learns. She will then come back to Council with the information. Discussion followed.

Upon motion by Councilmember McDaniel, seconded by Councilmember Lefebvre, 'Approve the Airport Lease Agreements', Councilmember Futcher, Lefebvre, Roberson, Myers, McDaniel, and Schimmel voted yes. Councilmember Archer voted no. Motion carried 6 to 1.

**MOTION ITEMS:**

**Resolution No. 11-1054 – Employee Handbook Revision:** The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember Roberson, seconded by Councilmember Lefebvre, 'Pass Resolution No.11-1054, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELSO REPEALING RESOLUTION 97-761 AS AMENDED AND ADOPTING A PERSONNEL POLICY HANDBOOK APPLYING TO THE EMPLOYEES OF THE CITY AS INDICATED THEREIN.' Councilmember Schimmel asked if most of the changes are things we are already doing or are the changes

in the practice. Mr. Butterfield said that the substantial changes are the result of an audit from our insurance company. Basically, these changes are to personnel policies with regards to Military Leave, the Family Leave Act, and Equal Opportunity. Councilmember Schimmel asked about the two additional floating holidays. City Manager Richards said due to there being no cost of living raises over the past three years, the City felt this is what we had to offer. Councilmember Schimmel asked if there would be a potential for overtime because of the coverage for those taking the floating holidays. Mr. Richards said the Police Department may have overtime due to the coverage of the extra holidays. Councilmember Schimmel asked about the changes indicated in the salary schedule. Mr. Butterfield said it is because of job reclassifications. Councilmember McDaniel said he would like to see the two additional floating holidays be on a temporary basis until the COLA raises are offered again. Lengthy discussion followed. Motion carried, all voting yes.

**Resolution No. 11-1055 – Airport Interlocal Agreement:** The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Roberson, ‘Pass Resolution No. 11-1055, ‘A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, APPROVING A JOINT GOVERNANCE INTERLOCAL AGREEMENT FOR THE SOUTHWEST WASHINGTON REGIONAL AIRPORT.’ Councilmember McDaniel commented on how this agreement is good for the airport because it will give the people that pay in to it more say. Ms. Parker commented that the final comment letter from the FAA has not been received. They did send an email that had several comments which have been incorporated in this agreement. Because all the jurisdictions have gone forward with the agreement, we wanted to do the same. If there are any changes once the FAA letter is received, we will bring the amended agreement back for Council’s approval. Mayor Futcher asked about the City of Longview wanting to amend the language of the provision regarding the 5 year automatic renewal. He heard they wanted it to state that there is to be an evaluation of the agreement after 5 years. Ms. Parker said that the City of Longview does want to do that. She said you can authorize this agreement with that change if you choose to do so.

**Motion by Councilmember Schimmel, seconded by Councilmember Myers, ‘Amend the motion to include the possible change proposed by the City of Longview,’ motion carried, all voting yes.**

Mayor Futcher reiterated that the motion is to approve this resolution with the additional language that was discussed relating to the possible amended provision of the of the 5 year term. Motion carried, all voting yes.

**Resolution No. 11-1056 – Interfund Loan from General Fund to Arterial Street Fund:** The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember Roberson, seconded by Councilmember Myers, ‘Pass Resolution No. 11-1056, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELSO AUTHORIZING THE TRANSFER OF FUNDS FROM THE GENERAL FUND TO

THE ARTERIAL STREET FUND AND PROVIDING FOR THE REPAYMENT OF SUCH LOAN.’ Councilmember Archer asked for someone to explain this to him. Mr. Butterfield explained that most street projects are funded by grants. It takes time for the grant money to go through the process before it is received. At the end of the year we do a housekeeping effort to keep money in the arterial fund until the grant money is paid. Once the grant money is received the money that was transferred from the general fund is transferred back. This is one reason why it is important to have money in our reserves. Motion carried, all voting yes.

**Ordinance (1<sup>st</sup> Reading) – City Hall Hours of Operation Change:** The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember Myers, seconded by Councilmember Lefebvre, ‘Pass on 1<sup>st</sup> Reading, ‘AN ORDINANCE OF THE CITY OF KELSO AMENDING KMC 2.88.010 TO PROVIDE AMENDED HOURS OF OPERATION FOR CITY BUSINESS OFFICES,’ motion carried, all voting yes.

**Ordinance (1<sup>st</sup> Reading) – Revision #08-3686, Suspension of Right Of Way and Frontage Improvements Along Talley Way:** The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember Roberson, seconded by Councilmember Lefebvre, ‘Pass on 1<sup>st</sup> Reading, ‘AN ORDINANCE OF THE CITY OF KELSO AMENDING AND EXTENDING CERTAIN PROVISIONS OF THE TEMPORARY SUSPENSION OF THE RIGHT-OF-WAY AND OTHER FRONTAGE IMPROVEMENTS ALONG TALLEY WAY IN CONJUNCTION WITH NEW DEVELOPMENT.’ Councilmember Archer asked if this is related to what was discussed earlier. Ms. Parker said yes, the language in this ordinance states that the authorized deferral of construction improvements shall not be extended beyond December 31, 2015. The other ordinance contains an existing agreement with a different date. Councilmember Myers commented that he would like to see where it states in Section 2, that the authority to enter into such development agreements shall last only until December 31, 2013 instead of 2012. Motion carried, all voting yes.

**Ordinance No. 11- 3758 – Budget Revision #1, 2012:** The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember Myers, seconded by Councilmember Roberson, ‘Adopt Ordinance No. 11-3758, ‘AN ORDINANCE OF THE CITY OF KELSO AMENDING THE 2012 BUDGET TO REFLECT REVENUES AND APPROPRIATE FUNDS TO COVER EXPENDITURES OVER AND ABOVE THOSE ANTICIPATED AT THE TIME SAID BUDGET WAS ADOPTED,’ motion carried, all voting yes.

**Ordinance No. 11- 3759 – 1504 North 2<sup>nd</sup> Avenue Conveyance:** The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember Schimmel, seconded by Councilmember Roberson, ‘Adopt Ordinance No. 11-3759, ‘AN ORDINANCE OF THE CITY OF KELSO CONVEYING PROPERTY AT 1504 NORTH SECOND AVENUE IN KELSO TO THE COWLITZ COUNTY HABITAT FOR HUMANITY,’ motion carried, all voting yes.

**MANAGER'S REPORT:**

**Dennis Richards:** 1) Since 2008 we have had snow, flooding, and mudslides. I heard on the news that this is the driest month of December on record. The last dry December we had that was close to this year was in 1787. 2) Wilco is a step forward for the City of Kelso. They will open in the Fall of 2012. I have done some research on the Wilco stores and they are doing very well. They are the 3<sup>rd</sup> largest revenue source in Battle Ground and there is a new one in Gig Harbor. 3) Starbucks and Jack-in-the-Box will probably get their permits in the next two weeks. 4) I want to thank all those who responded to the 'Giving Tree' upstairs. All donations will be going to the Women's Shelter. 5) Happy Holidays.

**STAFF REPORTS:**

**Janean Parker:** 1) I just wanted to pass on to you a very sincere thank you from Habitat for Humanity Executive Director Diane Perron for working with them on the 1504 North 2<sup>nd</sup> project.

**Nancy Malone:** 1) The Starbucks building is now going to be a two tenant building. Today we received a tenant improvement application for the other half of the building. We do not know what the business is going to be at this time.

**Andrew Hamilton:** 1) Last Saturday was the 'Shop with a Cop' event. Bebe McFall does an excellent job coordinating this event. KPD, Cowlitz 2 Fire and Rescue and the School District all helped with the program. All the police department staff that was involved in the program donated their time. I just wanted to publicly thank all those who were involved. 2) I have met with the City Manager and the staff regarding the pending lay-off process. It will affect two Kelso Police Officers. They will be laid-off as of December 31, 2011. This will bring our department to 24 commissioned police officers as compared to 28 commissioned officers that we had on the roster in 2010. Councilmember Archer asked about the dog attacks that he recently read about in the Daily News. Chief Hamilton said there has not been a rise in dog attacks this year. We have an excellent working relationship with the Humane Society.

**Brian Butterfield:** 1) The November monthly financial statements have been handed out and if there are any questions, I will be happy to answer them. 2) We have received the amount of the remittance of the December sales tax, which puts us over the top for budget. The sales tax is our number one revenue source for the city. The \$1.9 million that was the official tally of the year will be \$1.92 million. The SR432 project and the numerous water/sewer projects have helped us out this year. Mayor Fitcher asked if Mr. Butterfield feels better about the sales tax revenue being a little higher for the 2012 Budget. Mr. Butterfield said Wilco is great news. He recently read a news magazine article that has a "Watch List" for the top ten American icons that may not be around much longer. Two on the list are of our top ten sales tax revenue sources. Councilmember Archer asked if the City of Kelso had a lawsuit filed against the property owner of the old

Strand Hotel location. Mr. Butterfield said he is not privileged to that information. He does know that all the utilities and L.I.D.s have been paid. Councilmember Archer said that the owner was forced to demolish the building. Mayor Futcher said he remembered that there was a lawsuit to get the owner to do something, not to recover any money. It was all resolved under the last administration.

**COUNCIL REPORTS:**

**Kim Lefebvre:** 1) Happy Holidays to everyone and be safe.

**Rick Roberson:** 1) KDRA had Santa here the last couple of Saturdays at the Kelso Commons Park. KDRA may be looking into growing the park to make it look better. 2) Last Wednesday David Sypher and I went to the Grays Harbor Regional Transportation Meeting. It is now more of a monthly technical group of engineers. There wasn't anything pertinent to bring home from that meeting. 3) I am very excited to be on the CEDC but I missed the last meeting because I didn't check my schedule in time.

**Dan Myers:** 1) I attended the COG Board Meeting on December 15<sup>th</sup>. The main focus was on the budget. I learned that the assessment evaluation population formula that they use to calculate the City of Kelso's share brought it down a \$1,000. It is not much, but every little bit helps. 2) COG Transportation Planner Rosemary Siipola gave a presentation on transportation. She said the state has a big back log of maintenance and operations projects where there is no funding. The legislature is kicking around some creative ideas for funding like toll bridges and a vehicle mileage tax for electric cars that do not use gas. They have a chart on their wall that shows how much money gets spent on transportation projects. It shows that typically 25% is spent just to get your permits and studies. I would like to see one of those charts on the West Main Realignment Project.

**Gary Schimmel:** 1) I was wondering if anyone is interested in starting a quarterly public forum. I thought the Library location would be a good place for it. There is a lot of activity going on at the Library. People would already be in town so it would be more convenient to attend. Mayor Futcher said this has been tried in the past, but it would be good to try it again.

**Todd McDaniel:** 1) I am open to trying a public forum again. 2) CUBS is still working on their new branding. They have asked the public to participate in the vote. The board will be voting on the new name and new design of the buses and bus stops.

**Gary Archer:** No report.

**David Futcher:** No report.

There being no further business, Mayor Fatcher adjourned the meeting at 8:42 p.m.



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MAYOR



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CITY CLERK